

It's decision time: your new investment options have arrived

For members of the
Alstom Group Personal Pension Plan

February 2015



From April, the Government is giving you the freedom to use your pension savings the way you want to when you retire. In response to your new freedoms, we've made some important changes to your investment choices in the Alstom Group Personal Pension Plan (the Plan).

How you're affected depends on where your savings are currently invested. This leaflet explains the changes and how you can make the most of them.

ALSTOM
Shaping the future

Introducing a new journey to retirement

We want to make planning for your future easier. If you're short of time, this page will equip you with the essentials.

In brief – what do you need to know?

- As announced in the last two editions of Pension Focus, in April we're improving your investment options – including the default option. You can see if you're affected using the table below.
- To decide if your investments are right for you, you need to think carefully about how you might want to take your savings at retirement. Will you want to buy an annuity, take income drawdown, and / or take cash?
- You can view and update your existing investments by logging in to Pension Tracker at www.aviva.co.uk/mypension/alstom. While you're there, you can also update your selected retirement date!

Why are we changing your investment options?

From April this year, the world as we know it is changing – at least it is in terms of how you can use your retirement savings! As a result of changes announced in the 2014 Budget, you'll have the freedom to choose how you want to use the money you've saved when you retire.

This changing landscape means that where your savings are currently invested may no longer be right for you. On top of this, the investment market changes frequently, and the Government is introducing a 0.75% cap on charges for default funds.

We want to make sure you have access to investment options that suit you and your needs. With this in mind, we've been working with our investment advisers to review your options and introduce some important improvements.

Do these investment changes affect you?

You can check where your savings are invested by logging into Pension Tracker via www.aviva.co.uk/mypension/alstom. If you're in the default lifestage approach, Aviva will be contacting you shortly to tell you how your investments will automatically change. In summary:

Where is your money invested?	How are you affected?	Find out more
Alstom Mixed Investment Lifestage Default approach (If you didn't choose you're invested here)	Two of the investment funds used in it will be replaced, making it a more balanced strategy and suitable for income drawdown.	Page 5
<ul style="list-style-type: none"> • Alstom High Equity Lifestage approach • Alstom Equity and Bonds Lifestage approach 	These options are closing to new members. If you have selected these options, you can still keep your money invested here.	Page 7
<ul style="list-style-type: none"> • Standard Life Global Absolute Return Strategy 	This fund is being replaced in the core range by the Invesco Global Targeted Returns Fund, although you can still invest in it.	Page 7
<ul style="list-style-type: none"> • All members 	Everyone will now have access to two new investment options: <ul style="list-style-type: none"> • Alstom Annuity Purchase Lifestage approach. • Invesco Global Targeted Returns Fund. 	Pages 6 and 7

Learning zone

Before we get into the investment details, here is a quick reminder about how your Plan works and your new flexible retirement options.

Reminder – how does your Plan work?

Your Plan is a defined contribution plan. This means it operates similarly to a savings account:

- You and Alstom contribute to your own account.
- To help your savings grow, you choose where to invest your money from a range of investment options.
- The amount you get when you retire will depend on how much money goes into your account, how your investments perform, when you retire, and the decisions you take at retirement.

You can retire and take your savings at any time after age 55 (the minimum pension age).

Spend it your way

There are now lots of ways you can use the money you've saved:

- You can still buy an annuity (this is a regular income from an insurance company).
- You can take your entire account as cash.
- You can take some or all of your money using income drawdown (this is where your money remains invested).

To get you thinking about your key options, use the table below to see the current difference between taking your savings as an annuity, income drawdown or cash:

	Annuity	Income drawdown	Cash
What is it?	A type of insurance policy you buy with the money in your account. It pays an income for life or for a set time.	Each year you withdraw a retirement income from a pension arrangement and leave the rest invested.	You can choose to take as much cash as you like. You can spend it, bank it, or even invest it yourself.
Can I take a 25% tax-free lump sum?	Yes	Yes	Yes – the rest is taxed at your marginal rate.
Do I have flexibility after retirement to take extra cash?	No – it provides you with access to a set amount of money each year.	Yes – you can take as much money as you want subject to tax (until it runs out).	Yes – you can take as much money as you want subject to tax (until it runs out).
Do I manage my investments when I retire?	No – there's no money to manage because you will have used the money to buy an annuity.	Yes – your money remains invested so you need to be comfortable monitoring it.	You can choose where to keep the money you take as cash (e.g. an ISA). Any money you don't withdraw as cash will remain invested.
Can I cancel this at any time?	Once you buy an annuity, you have one month to cancel it. After that, it's a fixed contract for the rest of your life.	Yes – you can buy an annuity in the future or take it as cash.	Yes – you can buy an annuity or take income drawdown in the future.
Would my income increase with inflation?	You have the flexibility to choose one that increases each year.	If your investments perform well, yes, but there's a risk they could drop in value.	This depends on where you keep any savings you don't spend.
Is my income secure?	Yes – your annuity will be paid throughout your retirement.	No – you have to make sure you have enough money to last.	No – you have to make sure you have enough money to last.
What happens if I die?	You have the flexibility to choose one with a spouse's pension, payable on your death.	If you die your remaining funds can be passed to your beneficiaries.	If you die your remaining cash can be passed to your beneficiaries.

How could your current investment choices affect your retirement choices?

Now you have a feel for your options, you should think about whether your savings are invested in the right place. The table below has been designed as an easy reference guide for you:

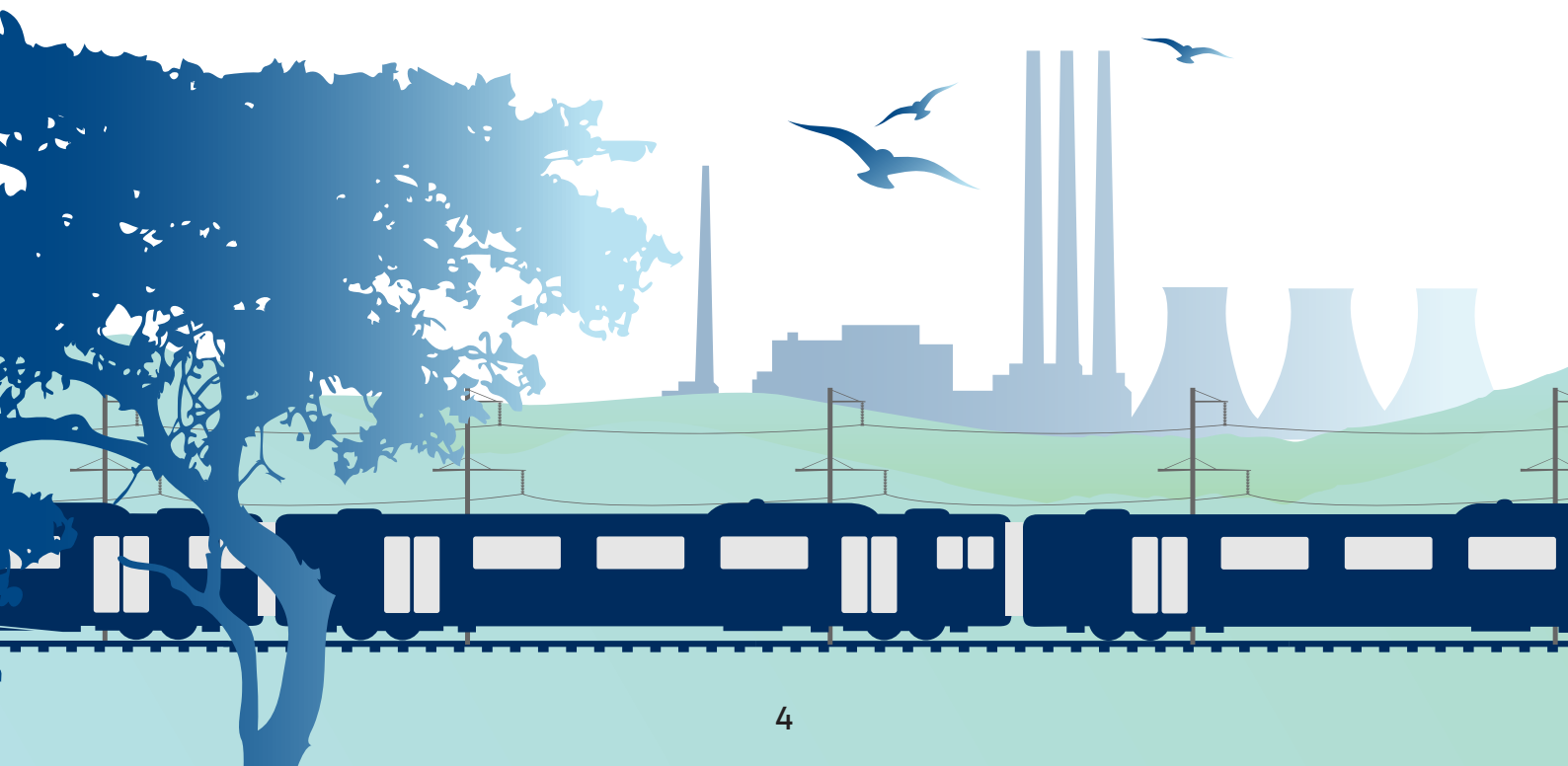
	Choosing a lifestage approach See pages 5 and 6 for details.	Choosing a core fund See page 7 for details.
Do you plan to take an annuity when you retire?	You may want to select the new Alstom Annuity Purchase Lifestage approach. Your investments switch gradually to suit the purchase of an annuity when you retire.	You could consider moving your account gradually into bonds to help match the purchase of an annuity. You will have to do this yourself.
Do you plan to take income drawdown when you retire?	If you're not already in the default lifestage approach, you could consider switching to the Alstom Income Drawdown Lifestage Default approach.	Your savings are likely to be invested for many years to come, so consider investments that you're comfortable with.
Do you plan to take cash when you retire?	We don't have a lifestage approach designed for cash. You could consider switching a high proportion of your investments into cash by self-selecting the Aviva Deposit fund several years before your retirement.	You could consider switching a high proportion of your investments into cash by self-selecting the Aviva Deposit fund several years before your retirement.
I haven't decided yet	If you don't know how you'll use your savings at retirement, the Alstom Income Drawdown Lifestage Default approach could be appropriate. This is a more balanced approach and is considered a suitable strategy for those who are comfortable with taking a medium degree of risk in the five years before retirement. We highly recommend you seek financial advice before considering any other options.	

Please keep in mind that when it comes to retirement, the investments you choose won't determine whether you can take income drawdown or an annuity. It's simply that some investments are more appropriate for income drawdown, and some are more appropriate for annuities.

And don't forget to review your investments regularly to make sure they continue to be right for you.

Guidance for everyone

The Government has promised that everyone will receive 'free, independent guidance' at retirement, to help you understand your options. This will be provided by the Citizens Advice Bureau or The Pensions Advisory Service from April 2015, with limited availability before this. Visit www.gov.uk/pensionwise for details.



STOP 2

Lifestage approach changes

Here is where you can find out about our new lifestage approach and changes to our default investment option.

Most of our members have invested their savings in our default lifestage approach – if you didn't choose your investments you're invested here. A handful of members have also chosen the other lifestage approaches – the Alstom High Equity Lifestage approach and the Alstom Equity and Bonds Lifestage approach.

From April, there will only be two lifestage approaches open to all members:

1. Alstom Mixed Investment Lifestage Default approach

2. Alstom High Equity Lifestage approach

3. Alstom Equity and Bonds Lifestage approach

1. Alstom Income Drawdown

Lifestage Default approach – we've updated the Alstom Mixed Investment Lifestage Default

2. Alstom Annuity Purchase Lifestage approach

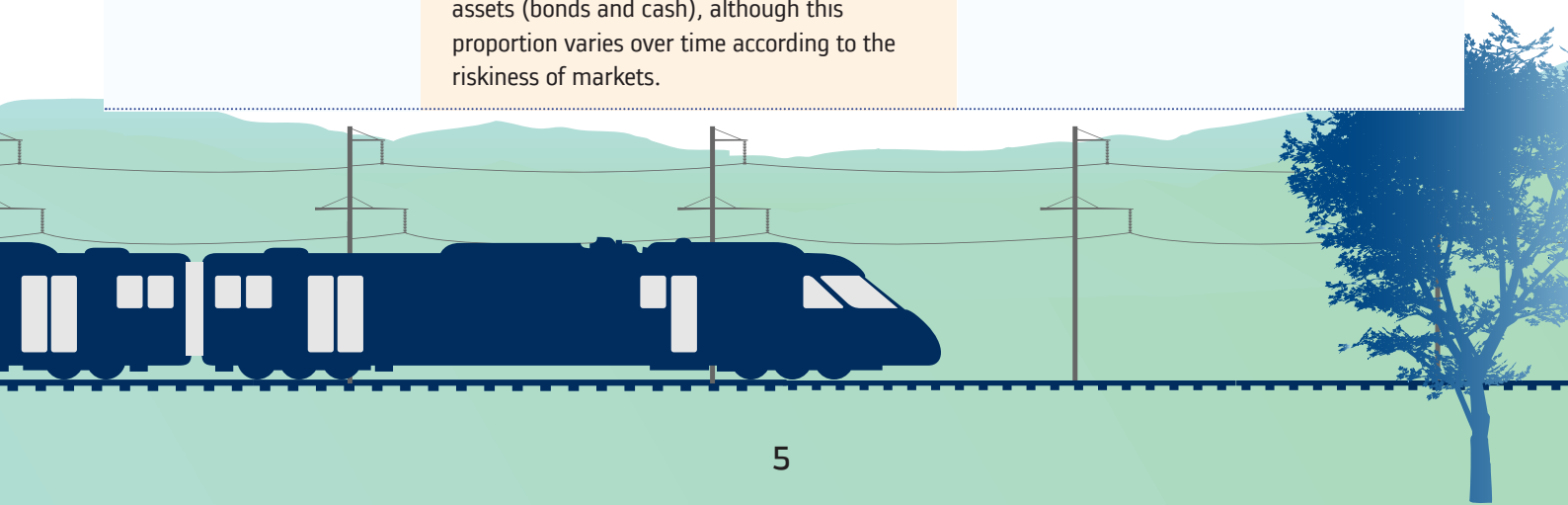
Here is how the default lifestage approach is changing?

Our current default option is the Alstom Mixed Investment Lifestage Default approach. From April, we're making some changes to replace two of the funds it invests in:

- We're replacing the Standard Life Global Absolute Return Strategy because our investment advisers downgraded the rating that they put on the fund and recommended that investors consider switching out of it. The Government is also introducing a charges cap for the default funds of 0.75% a year, which this fund exceeds.
- We're replacing Aviva's Long Gilts Fund to invest in a more balanced fund as long gilts are a very specific investment strategy appropriate for people close to retirement who plan to purchase an annuity. Also a balanced strategy with a medium risk is more suitable for you if you want to take your savings using income drawdown at retirement (see page 3).

Here is how the default lifestage approach is changing:

	Change	Objective / annual management charge
Growth phase	Standard Life Global Absolute Return Strategy to be replaced by Aviva's Diversified Assets Fund 2. The new fund uses a balanced investment strategy. It currently invests 2/3rds in equities with the remainder in more defensive investments, like bonds, although this varies over time according to the riskiness of markets.	Aims to offer long-term investment growth with a balanced level of risk. Charge of 0.23% each year.
Protection phase	Aviva's Long Gilts Fund replaced by Aviva's Diversified Assets Fund 1. The new fund uses a balanced investment strategy but invests less in equities – currently 44% – with the remainder in more defensive assets (bonds and cash), although this proportion varies over time according to the riskiness of markets.	Aims to offer long-term investment growth with a more cautious attitude to risk. Charge of 0.23% each year.



We know that not all of our members know if they will take income drawdown at retirement. However, if you're not sure, a more balanced investment strategy like this one might be suitable. This is because it is designed for those who are comfortable with taking a medium degree of risk in the five years before retirement.

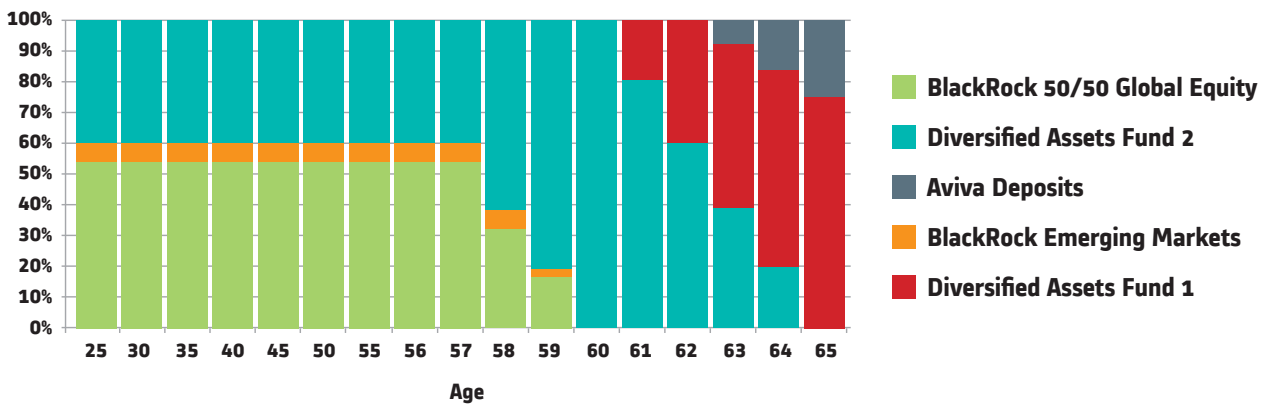
To reflect these changes, we've renamed the default option the Alstom Income Drawdown Lifestage Default approach. The chart below shows you how the money in your account would move gradually into lower risk investments as you approach retirement, using an assumed retirement age of 65.

What do you need to do?

If you have money invested in the default lifestage approach, it will automatically move to this newly structured lifestage approach.

Remember though, this option is designed for those who plan on taking income drawdown in retirement (see page 3). If you think you're likely to buy an annuity at retirement, you may want to consider the new Alstom Annuity Purchase Lifestage approach (see below).

Aviva will be writing to you shortly outlining your current investments and how they will change automatically in April. To switch to a different option before the changes take place, simply complete the switch form we have enclosed and return it to Alstom before 24 March 2015:

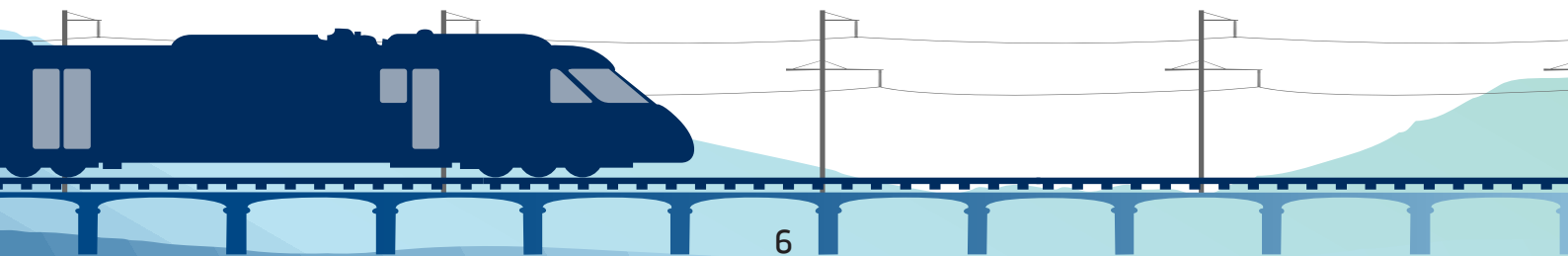
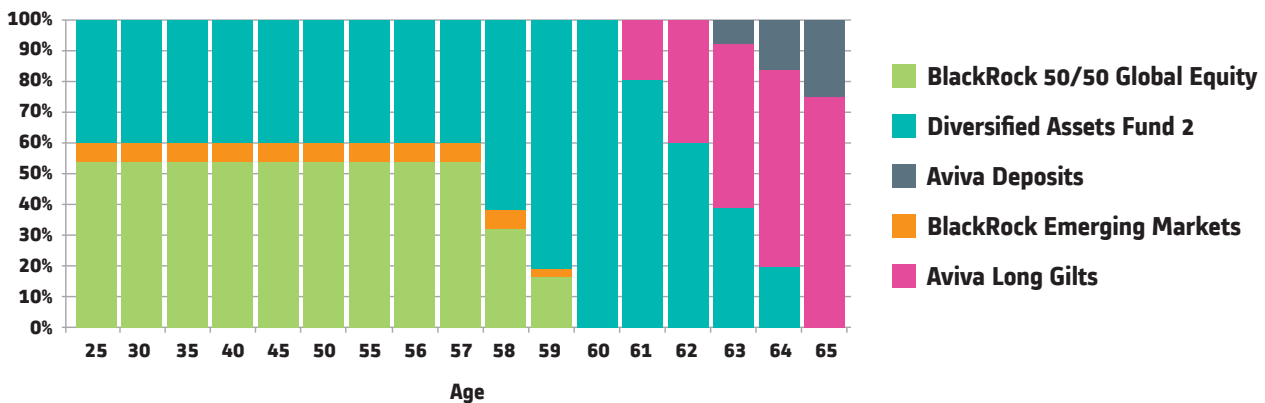


What's the new Alstom Annuity Purchase Lifestage approach?

From April, we're introducing a new lifestage approach designed for members wanting to purchase an annuity with their savings. This option is similar to our default lifestage approach. However, in the last five years it starts switching your money into 75% long gilts and 25% cash. It does this because:

- the price of purchasing an annuity is broadly linked to the market value of long-dated Government bond investments (called gilts); and
- we expect members to take 25% of their retirement account as a cash lump sum (this is the most you can take tax-free).

The chart below shows you how the money in your account would move gradually into lower risk investments as you approach retirement:



Why are we closing two of the lifestage approaches to new members?

We have a very small number of members invested in the Alstom High Equity Lifestage approach and Alstom Equity and Bonds Lifestage approach.

Having these options open for so few members adds to the complexity of the choice of funds for our members. They are also designed for those wanting an annuity in retirement, and we don't believe this will be relevant to many of our members.

What do you need to do?

If you've chosen one of these options, you can remain in them. However, we won't be monitoring them in future.

You may want to consider a different lifestage approach (which we will be monitoring) or self-selecting your own funds from either the core or wider fund range offered by Aviva. If you do switch out of these, you won't be able to select them again in future.

STOP 3

Core fund changes

Alongside the lifestage approaches, you can choose to select your own funds from the core fund range or Aviva's wider fund range. The core fund range (shown in your investment guide) is monitored by the Company's Governance Committee on an ongoing basis.

Replacing the Standard Life Global Absolute Return Strategy (GARS)

Standard Life GARS is being taken out of our core fund range and replaced by the Invesco Global Targeted Returns Fund.

We're replacing this fund because our investment advisers downgraded the rating that they put on the fund and recommended that investors consider switching out of it. They believe it has become too large and there have also been significant personnel changes which could affect the fund and how it's managed.

What do you need to do?

Although Standard Life GARS is being taken out of the core fund range, you can still choose to invest in it via Aviva's wider range. However, we won't be monitoring it with our advisers in future. Alternatively, you may want to consider selecting its replacement – the Invesco Global Targeted Returns Fund.

Will there be changes to the investment fees you pay?

Depending on which fund you have chosen, your investment fees may change. For example, the new Aviva Diversified Assets Fund 2 is significantly less than the Standard Life GARS.

There could also be some small transaction costs if we need to switch any of your savings into another fund.

It's time to review your funds

Even if you're not affected by the changes, now is a great time to review your choices to make sure they're still right for you.

For a copy of the detailed investment guide, visit www.aviva.co.uk/mypension/alstom

Where can you find out more?

- Read the investment guide and fund factsheets available online at www.aviva.co.uk/mypension/alstom
- Attend a pensions roadshow – see page 8 for more details.

Attend a pensions roadshow

To understand more about these changes, make sure you attend one of the presentations being held at most Alstom locations. Look out for the posters confirming dates and times at your site.

If you can't attend, you can see a recorded version at www.aviva.co.uk/mypension/alstom

If you want to change investments

1. **Review your current selections** – Log in to Pension Tracker at www.aviva.co.uk/mypension/alstom
2. **Find out more** – Read the information and investment guide available online at www.aviva.co.uk/mypension/alstom
3. **Seek help** – The investments you choose are important and you should always be confident about them. If you need help, you can visit www.unbiased.co.uk to locate a financial adviser near you. The Government will also be offering free guidance at retirement – see page 4.
4. **Make your choice** – If you want to switch your investments or update your selected retirement age you can log in to Pension Tracker, call Aviva or complete the switch form enclosed and return it to the Alstom Pensions Department. Requests must be received before 24 March 2015 to ensure your funds are switched on 1 April 2015. Please note that unfortunately you cannot select lifestage approaches online.

If you need help

Aviva

Contact Aviva for any queries relating to the Plan:



www.aviva.co.uk/mypension/alstom



alstom@aviva.co.uk



0800 2600 386

Normal office hours are 9:00am to 5:00pm Monday to Friday.

Alstom Pensions Department

For any other queries contact the Alstom Pensions Department:



alstom.ukpensions@chq.alstom.com



01788 557 402 or 01788 557 403

Normal office hours are 8.30am to 5.00pm Monday to Thursday and 8.30am to 4.30pm Friday.

Important points to remember

This communication is for information only. It does not take into account your personal circumstances and does not constitute financial advice. Neither the Company, nor the Plan Administrator can provide you with financial advice. If you are unsure as to what action to take we strongly recommend that you seek financial advice.

Please note the value of investments, and income from them, may fall as well as rise. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance. When your retirement account is transferred into new funds there may be out of market exposure while your savings are being transferred. We work with our providers to minimise this as much as possible.

Investment switch form

Use this form to switch your investments in the ALSTOM Ltd Group Personal Pension Plan (the Plan) with Aviva. If you're happy with the changes in the enclosed announcement and don't wish to change your investment choices or your selected retirement age, you don't need to complete this form.

Step 1 – Confirm your personal details

Title	Surname
Forename(s)	Plan or NI number
Contact number	Email address

Step 2 – Do you want to change your investment choices?

<p>Yes <input type="checkbox"/> Go to Step 3 to make your selections.</p>	<p>No <input type="checkbox"/> Go to Step 5 to confirm your selected retirement age. Your savings in the Plan will be invested as described in the enclosed announcement. If you're in the default option, this will be different to how it is currently invested.</p>
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Step 3 – Choose your investments – existing savings

Choose how you want your existing savings invested. Please note that you cannot combine a lifestage approach with other options.

<p>Option 1 – Choose a lifestage approach</p> <p>Make sure you confirm your retirement age in Step 5.</p> <p>I want 100% of my contributions in the Alstom Income Drawdown Lifestage Default approach. <input type="checkbox"/></p> <p>I want 100% of my contributions in the Alstom Annuity Purchase Lifestage approach. <input type="checkbox"/></p>	<p>Option 2 – Self select your own funds</p> <p>Please state (in whole numbers) the percentage that you would like to invest in each fund from either the core fund range or wider range offered by Aviva. Your total must add up to 100%.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #003366; color: white;"> <th style="text-align: left;">CORE FUNDS Select any funds from the core fund range.</th> <th style="text-align: center;">% to invest in this fund</th> </tr> </thead> <tbody> <tr><td>BlackRock Aquila UK Equity Index Tracker</td><td style="text-align: center;">%</td></tr> <tr><td>BlackRock Aquila Overseas Equity Consensus Index Tracker</td><td style="text-align: center;">%</td></tr> <tr><td>BlackRock Aquila Emerging Markets Index Tracker</td><td style="text-align: center;">%</td></tr> <tr><td>BlackRock Aquila 50:50 Global Equity Index Tracker</td><td style="text-align: center;">%</td></tr> <tr><td>BlackRock Aquila Over 15 Years Corporate Bond Index Tracker</td><td style="text-align: center;">%</td></tr> <tr><td>BlackRock Aquila Over 15 Years Gilt Index Tracker</td><td style="text-align: center;">%</td></tr> <tr><td>BlackRock Aquila Over 5 Years Index-Linked Gilt Index Tracker</td><td style="text-align: center;">%</td></tr> <tr><td>Aviva Property</td><td style="text-align: center;">%</td></tr> <tr><td>Invesco Global Targeted Returns Fund</td><td style="text-align: center;">%</td></tr> <tr><td>Aviva Mixed Investment (40-85% Shares)</td><td style="text-align: center;">%</td></tr> <tr><td>Aviva Long Gilt</td><td style="text-align: center;">%</td></tr> <tr><td>Aviva Deposit</td><td style="text-align: center;">%</td></tr> <tr style="background-color: #003366; color: white;"> <th style="text-align: left;">ADDITIONAL FUNDS State any other funds from the full fund range.</th> <th style="text-align: center;">% to invest in this fund</th> </tr> <tr><td> </td><td style="text-align: center;">%</td></tr> <tr><td> </td><td style="text-align: center;">%</td></tr> <tr><td> </td><td style="text-align: center;">%</td></tr> <tr><td> </td><td style="text-align: center;">%</td></tr> <tr><td> </td><td style="text-align: center;">%</td></tr> <tr><td> </td><td style="text-align: center;">%</td></tr> <tr><td> </td><td style="text-align: center;">%</td></tr> <tr style="font-weight: bold;"> <td style="text-align: left;">TOTAL</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	CORE FUNDS Select any funds from the core fund range.	% to invest in this fund	BlackRock Aquila UK Equity Index Tracker	%	BlackRock Aquila Overseas Equity Consensus Index Tracker	%	BlackRock Aquila Emerging Markets Index Tracker	%	BlackRock Aquila 50:50 Global Equity Index Tracker	%	BlackRock Aquila Over 15 Years Corporate Bond Index Tracker	%	BlackRock Aquila Over 15 Years Gilt Index Tracker	%	BlackRock Aquila Over 5 Years Index-Linked Gilt Index Tracker	%	Aviva Property	%	Invesco Global Targeted Returns Fund	%	Aviva Mixed Investment (40-85% Shares)	%	Aviva Long Gilt	%	Aviva Deposit	%	ADDITIONAL FUNDS State any other funds from the full fund range.	% to invest in this fund		%		%		%		%		%		%		%	TOTAL	100%
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Step 4 – Do you want all future contributions invested as shown in Step 3?

Yes → Go to Step 5.

OR No → My and the Company's future contributions should be invested in accordance with the following instruction(s) which I can change at any time:

CORE FUNDS Select any funds from the core fund range.	% to invest in this fund
BlackRock Aquila UK Equity Index Tracker %
BlackRock Aquila Overseas Equity Consensus Index Tracker %
BlackRock Aquila Emerging Markets Index Tracker %
BlackRock Aquila 50:50 Global Equity Index Tracker %
BlackRock Aquila Over 15 Years Corporate Bond Index Tracker %
BlackRock Aquila Over 15 Years Gilt Index Tracker %
BlackRock Aquila Over 5 Years Index-Linked Gilt Index Tracker %
Aviva Property %
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Aviva Long Gilt %
Aviva Deposit %
ADDITIONAL FUNDS State any other funds from the full fund range.	% to invest in this fund
..... %
..... %
..... %
..... %
..... %
..... %
TOTAL	100%

Step 5 – Confirm your selected retirement age

I wish to select a retirement age of years

This is the age I currently expect to withdraw my retirement savings. I understand that if I have not selected a retirement age it will default to 65, or will remain at the age I previously advised. I can change this at a later time.

Step 6 – Sign and return your form

I authorise Aviva to switch my existing and / or future contributions as requested on this form. I have read the objectives of the funds I am switching to in full (by reading the detailed investment guide and relevant fund factsheets) and confirm that I am happy to accept any additional risks and fund charges that may apply as a result of this switch.

Signature

Date

Please return this form to:

Alstom Pensions Department, Newbold Road, Rugby, CV21 2NH

If you want to change your investments before the new range is introduced, your form must be received by the Alstom Pensions Department before 24 March 2015. If it is received after this date, your investments will be switched after 1 April 2015.

